

***ANNUAL FINANCIAL STATEMENTS***

***FOR***



**GREATER TAUNG LOCAL MUNICIPALITY**

***FOR THE YEAR ENDED 30 JUNE 2010***

**Greater Taung Local Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

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# Annual Financial Statements

for

## ***Greater Taung Local Municipality***

for the year ended 30 June: **2010**

Province:

North West

AFS rounding:

<b>Contact Information:</b>	
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<b>Name of Chief Financial Officer:</b>	MR. LT NEPHAWE
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# Greater Taung Local Municipality

## ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2010

## General information

## Members of the Council

MAKGALEMANE, EI  
KGOSIENG, KM  
MABE, MJ  
MADUMO, BR  
MALEPE, KA  
MASIA-NOBULA, MMA  
OLIPHANT, OP  
PIKININI, LV  
PHEMELO, OJ  
ITUMELENG, DA  
MATLAPENG, TS  
SEOKAMO, KB  
MAMAPULA, KL  
BASSON, KL  
DAUMAS, KF  
LETSHABO, HL  
MAINE, SA  
MALEPE, TV  
MASELO, DL  
MATONG, OM  
MODITSE, KB  
MOILOA, BT  
MOKOTO, R  
MONTSHO, KG  
NDAMANE, OM  
MOTHIBI, NL  
NONDEYI, NE  
OLIFANT, MI  
OTSWELWANG, AP  
RAPATI, GM  
SCHOLTZ, AP  
SEJAMOHOLO, SD  
SEREBOLO, TW  
TEISHO, KJ  
TONG, LJ  
GALODIKWE, KP  
MAKHUBO, TM  
MONCHONYANE, RT  
MORWAGASHWE, KJ  
MAHLANGU, BL  
MOKOPELA, IN  
SIBINDA, EV  
TSHIPO, GJ  
TAFANE, GN

**Mayor**

**Speaker**

[illegible]

**Greater Taung Local Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

**General information (continued)**

**Registered Office:** GREATER TAUNG LOCAL MUNICIPALITY

**Physical address:**  
  
MUNICIPAL OFFICES  
STATION STREET  
TAUNG  
8580

**Postal address:**  
  
**PRIVATE BAG X1048**  
TAUNG STATION  
8580

**Telephone number:** 053 994 9400

**Fax number:** 053 994 3461

**E-mail address:** [nephawet@taunglm.co.za](mailto:nephawet@taunglm.co.za)

**Municipal Manager**

MOFOKENG, MS (ACTING)

**Chief Financial Officer**

NEPHAWE, LT

**Grading of Local Authority**

GRADE 3

**Auditors**

Auditor-General

**Bankers**

ABSA

**Greater Taung Local Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

**Approval of annual financial statements**

I am responsible for the preparation of these annual financial statements in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 22 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Corporative Governance and Traditional Affairs's determination in accordance with this Act.

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Municipal Manager:



*31 August 2010*

**Greater Taung Local Municipality**  
**STATEMENT OF FINANCIAL POSITION**

as at 30 June 2010

	Note	2010	2009
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	38,940,634	27,238,420
Consumer debtors	2	1,948,873	4,252,203
Inventories	3	110,173	360,361
Trade and other receivables from exchange transactions	4	29,825	191,696
VAT receivable	9	4,010,661	10,686,171
		<b>45,040,166</b>	<b>42,728,851</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	112,658,887	90,454,643
Investment property carried at cost	6	3,315,500	3,315,500
		<b>115,974,387</b>	<b>93,770,143</b>
<b>Total assets</b>		<b>161,014,553</b>	<b>136,498,994</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	7	3,827,618	4,249,190
Consumer deposits	8	131,166	121,890
Current provisions	10	2,596,157	2,153,378
Sundry Creditors			26,883
Current portion of unspent conditional grants and receipts	11	3,527,026	2,000,412
Current portion of finance lease liability		-	
<b>Total liabilities</b>		<b>10,081,967</b>	<b>8,551,753</b>
<b>Net assets</b>		<b>150,932,586</b>	<b>127,947,242</b>
<b>NET ASSETS</b>			
Accumulated surplus / (deficit)		142,459,630	119,474,286
Reserves		8,472,956	8,472,956
<b>Total net assets</b>		<b>150,932,586</b>	<b>127,947,242</b>

**Greater Taung Local Municipality**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ending 30 June 2010

	Note	2010	2009	
<b>Revenue</b>				
Property rates	12	4,749,767	4,069,782	
Property rates - penalties imposed and collection charges	12	534,541	407,215	
Service charges	13	4,774,384	3,990,596	
Rendering of Services			22,996	
Rental Income	14	276,786	295,840	
Interest earned - external investments	15	3,833,430	4,317,225	
Interest earned - outstanding receivables	16	841,802	801,038	
Income Received from Agencies		76,202	75,378	
Administration and Management Fees Received		11,184	53,895	
Licences and permits		-	915	
Government grants and subsidies	17	100,161,068	67,847,230	
Other income	18	505,490	92,760	
<b>Total revenue</b>		<b>115,764,655</b>	<b>81,974,870</b>	
<b>Expenses</b>				
Employee related costs	19	25,863,098	22,819,414	 K.4.1
Remuneration of councillors	20	10,192,205	10,041,202	 K.4.1
Administration Costs			468,617	
Depreciation and amortisation expense	21	4,669,697	3,245,037	
Repairs and maintenance		4,255,814	2,603,955	
Provision for Bad Debts		5,700,534	2,783,502	
Finance costs	22	-	1,255,061	
Bulk purchases	23	1,532,369	1,937,855	
Contracted services	24	1,349,529	942,209	
General expenses	25	39,240,823	25,306,747	
<b>Total expenses</b>		<b>92,804,069</b>	<b>71,403,599</b>	
Gain / (loss) on sale of assets	26	33,191	-	
(Impairment loss) / Reversal of impairment loss	27	-	-	
Profit / (loss) on fair value adjustment		-	-	
Inventories: (Write-down) / reversal of write-down to net realisable value			-	
<b>Surplus / (deficit) for the period</b>		<b>22,993,776</b>	<b>10,571,271</b>	



**Greater Taung Local Municipality**  
**STATEMENT OF CHANGES IN NET ASSETS**  
as at 30 June 2010

	Revaluation Reserve	Government Grant Reserves	Capital Replacement Reserve	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
Note						
<b>Balance at 30 June 2008</b>	8,472,956	EX 143 29,035,262	6,273,978	43,782,197	63,234,195	107,016,392
Correction of prior period error	30 -	(29,035,262)	(6,273,978)	(35,309,241)	35,309,241	-
Correction of prior period error					1,467,875	1,467,875
Correction of prior period error					1,659,068	1,659,068
Correction of prior period error				J.17.1	(530,180)	(530,180)
<b>Restated balance</b>	8,472,956	-	-	8,472,956	101,140,199	109,613,155
Surplus / (deficit) on revaluation of property of property, plant and equipment						-
VAT Adjustment					647,567	647,567
Government Grant Reserve					30,374,819	
Adjustment against					(23,259,570)	(23,259,570)
Net gains and losses not recognised in the statement of financial performance						-
Transfers to / from accumulated surplus/(deficit)						-
Surplus / (deficit) for the period					10,571,271	10,571,271
<b>Balance at 30 June 2009</b>	8,472,956	J.13.1 -	J.17.1	956	119,474,286	127,947,242
Surplus / (deficit) on revaluation of property of property, plant and equipment						-
Other items						-
Other items					(8,432)	(8,432)
Transfers to / from accumulated surplus/(deficit)						-
Surplus / (deficit) for the period					22,993,776	22,993,776
<b>Balance at 30 June 2010</b>	8,472,956	-		8,472,956	142,459,630	150,932,586
	J.13.1				J.17.1	

# Greater Taung Local Municipality

## CASH FLOW STATEMENT

as at 30 June 2010

	Note	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	28	34,727,143	11,321,248
Interest Income		3,833,430	4,317,225
Finance Costs		-	(1,255,061)
		-	-
<b>Net cash flows from operating activities</b>		<b>38,560,573</b>	<b>14,383,412</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(26,954,788)	(19,037,406)
Proceeds from sale of fixed assets		114,036	
Proceeds from sale of investments			
Purchase of foreign currency securities			
<b>Net cash flows from investing activities</b>		<b>(26,840,752)</b>	<b>(19,037,406)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Movement in other liability		(26,883)	26,883
Movement in consumer deposits		9,276	5,934
Finance lease payments		-	(269,922)
Repayment of finance lease liability			
<b>Net cash flows from financing activities</b>		<b>(17,607)</b>	<b>(237,105)</b>
<b>Net increase / (decrease) in net cash and cash equivalents</b>		<b>11,702,214</b>	<b>(4,891,099)</b>
<b>Net cash and cash equivalents at beginning of period</b>		<b>27,238,420</b>	<b>32,129,519</b>
<b>Net cash and cash equivalents at end of period</b>	29	<b>38,940,634</b>	<b>27,238,420</b>

## **1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS**

### **1.1 BASIS OF PRESENTATION**

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notices 991 and 992 of 2005.

These standards are summarised as follows:

GRAP 1: Presentation of financial statements.  
GRAP 2: Cash flow statements.  
GRAP 3: Accounting policies, changes in accounting estimates and errors.  
GRAP 5: Borrowing Costs  
GRAP 6: Consolidated and separate Financial Statements  
GRAP 7: Accounting for Investments in Associates  
GRAP 9: Revenue from Exchange Transactions  
GRAP 11: Construction Contracts  
GRAP 12: Inventories  
GRAP 13: Leases  
GRAP 14: Events after the Reporting Date  
GRAP 16: Investment Property  
GRAP 17: Property, Plant and Equipment  
GRAP 19: Provision, Contingent Liability and Contingent Assets  
GRAP 100: Non-Current Assets held for sale and discontinued operations  
GRAP 102: Intangible Assets  
IAS 19: Employee Benefits  
IAS 32: Financial Instruments: Presentation  
IAS 36: Impairment of Assets  
IAS 39: Financial Instruments: Recognition and measurement  
IFRS 7: Financial Instruments: Disclosure  
IPSAS 20: Related Party  
IPSAS 21: Impairment non-cash generating Assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and/or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements.

These accounting policies are consistent with those of the previous financial year.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GAMAP or GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

## **1.2 PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

## **1.3 GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on a going concern basis.

## **1.4 HOUSING DEVELOPMENT FUND**

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund.

Monies standing to the credit of the Housing Development Fund are used to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Proceeds from housing development fund schemes which include instalment sale of houses is recognised as revenue in the statement of financial performance and a corresponding transfer is made to the Fund.

Expenditure allowed in terms of the Housing Act is expensed in the Statement of Financial Performance and a corresponding transfer is made from the Fund.

## **1.5 RESERVES**

### **1.5.1 Capital Replacement Reserve (CRR)**

The purpose of the CRR is to set aside cash to provide infrastructure and other items of property, plant and equipment from internal sources.

The cash is transferred to a designated CRR account and can only be used to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

### **1.5.2 Capitalisation Reserve**

The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from the Capitalisation Reserve to the accumulated surplus/(deficit).

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed of, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

### **1.5.3 Government Grant Reserve**

When items of property, plant and equipment are purchased from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment funded from government grants.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grants Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

### **1.5.4 Donations and Public Contributions Reserve**

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from donations and public contributions is disposed of, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

## 1.6 PROPERTY, PLANT & EQUIPMENT

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost. Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment losses. Such assets are financed either by external loans, capital replacement reserve, government grants and contributions and donations.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Any trade discounts and rebates are deducted in arriving at the purchase price.

Directly attributable costs include the following:

Cost of site preparation.

Initial delivery and handling costs.

Installation cost.

Professional fees.

Estimated cost of dismantling the asset.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Where an item of property, plant and equipment is acquired at no cost, it is initially recognised at its fair value as at the date of acquisition.

Incomplete construction work is stated at historical cost. Depreciation only commences when the assets is commissioned into use.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

**Residual value**

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

## Depreciation

Depreciation is calculated at historical cost, using the straight-line method over the useful lives of the asset. Assets will be depreciated according to their annual depreciation rates based on the following estimated asset lives:

<b>Infrastructure Assets</b>	<b>YEARS</b>
Roads, pavements, bridges and storm water	30
Street names, signs and parking meters	5
Water reservoirs and reticulation	15-20
Electricity reticulation	20-30
Sewerage purification and reticulation	15-20
Housing	30
Refuse sites	15
<b>Community Assets</b>	
Parks and gardens	10-30
Sport fields	20-30
Community halls	30
Libraries	30
Recreation facilities	20-30
Clinics	30
Fire services	30
Cemeteries	30
<b>Other Assets</b>	
Motor vehicles	5
Plant and equipment	2-15
Security measures	3-10
Buildings	0
IT equipment	3-5
Office equipment	3-7
Specialised vehicles	10

Land is not depreciated as it is regarded as having an infinite life.

The useful life or depreciation method for items of property, plant and equipment that have been recognised was not reviewed as permitted in terms of Gazette 30013 of 29 June 2007.

## Impairment

The testing for and impairing of any items of property, plant and equipment were not accounted for as permitted in terms of Gazette 30013 of 29 June 2007

## Heritage assets

These are assets that are defined as culturally significant resources and are not depreciated as they are regarded as having an infinite life. However, if improvements to heritage assets are conducted and registered as sub-assets and the useful life of the improvements can be determined, the depreciation charge of the relevant property, plant and equipment category is used for the depreciation of the sub-asset which was capitalised against the heritage asset.

Disposal of property, plant and equipment

- The book values of assets are written off on disposal.
- The difference between the net book value of assets (cost less accumulated depreciation) and sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

## **1.7 FINANCIAL INSTRUMENTS**

There are four categories of financial instruments: fair value through profit or loss (which includes trading), loans and receivables, held-to-maturity and available for sale. All financial assets that are within the scope of IAS 39 are classified into one of the four categories.

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. The municipality classifies its financial assets as loans and receivables. Financial instruments are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities in excess of 12 months. These are classified as non-current assets.

Loans and receivables are classified as “trade and other receivables” in the Statement of Financial Position.

Loans and receivables are recognised initially at cost which represents fair value. After initial recognition financial assets are measured at amortised cost using the effective interest rate.

### **Accounts receivable**

Trade and other receivables are recognised initially at cost which represents fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor and default or delinquency in payments of all debt outstanding for more than 150 days are considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

When an under recovery occurs during the year an additional contribution for impairment is made from the accumulated surplus at year end.

Bad debts are written off during the year in which they are identified as irrecoverable.

### **Financial liabilities**

Financial liabilities are recognised initially at cost which represents fair value. After initial recognition financial liabilities are measured at amortised cost using the effective interest rate.



## **Gains and losses**

Gains and losses arising from changes in financial assets or financial liabilities at amortised cost are recognised in profit and loss when the financial asset or liability is derecognised or impaired through the amortisation process.

## **Investments held-to-maturity**

Subsequent to initial recognition, held-to-maturity assets are measured at amortised cost calculated using the effective interest method.

Investments which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered banks are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

Surplus funds are invested in terms of Council's Investment Policy. Investments are only made with financial institutions registered in terms of the Deposit Taking Institutions Act of 1990 with an A1 or similar rating institution for safe investment purposes.

The investment period should be such that it will not be necessary to borrow funds against the investments at a penalty interest rate to meet commitments.

## **Leases**

Property, plant and equipment subjected to finance lease agreements are capitalised at their cost equivalent and the corresponding liabilities are raised.

The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

Operating lease payments or receipts are recognised on the basis of the actual cash inflows and outflows as per the lease contract as permitted in terms of Gazette 30013 of 29 June 2007.

## **1.11 INVENTORY**

The cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Consumable stores, raw materials, work in progress, unused water, and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities.

Redundant and slow-moving stock are identified and written down with regard to their estimated economic or realisable values and sold by public auction. Consumables are written down with regard to age, condition and utility.

Unsold properties are valued at the lower of cost and net realisable value on a specific identification cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

The process to identify immovable capital assets as inventory/stock are not finalised yet and were accounted for in terms of GAMAP 17 as permitted in terms of Gazette 30013 of 29 June 2007.

#### **1.12 TRADE CREDITORS**

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade creditors are recognised initially at cost price as permitted in terms of Gazette 30013 of 29 June 2007.

#### **1.13 REVENUE RECOGNITION**

Revenue shall be measured at the fair value of the consideration received or receivable. No settlement discount is applicable.

Rendering of service

When the outcome of a transaction can be estimated reliably relating to the rendering of a service, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of the transaction can be measured reliably when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or services potential associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

This principle also applies to tariffs or charges.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses that are recoverable.

Sale of goods

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- The municipality has transferred to the purchaser the significant risks and rewards of ownership of goods;
- The municipality retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Finance income from sold housing by way of instalment sales agreements is recognised on a time proportion basis.

Revenue from the sale of erven is recognised when all conditions associated with the deed of sale have been met.

Rates, including collection charges and penalty interest

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

The Municipality uses a differentiated site value assessment rate system. According to this assessment rates are levied on the land value of properties and rebates are granted according to the usage of a particular property.

Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income .

Assessment rates income is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valuer has valued the change to properties.

#### Service charges

Flat rate service charges and consumption-based service charges shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read.

Revenue from the sale of electricity prepaid meter credit is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Service charges from sewerage and sanitation are based on the size of the property, number of dwelling on each property and connection, using the tariffs approved by Council and are levied monthly.

#### Fines

Revenue from the issuing of fines is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Revenue from fines is recognised when payment is received and the revenue from the issuing of summonses is recognised when collected.

#### Government Grants

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Other grants and donations received

Other grants and donations shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

Levies

Levies shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest, royalties and dividends

Revenue arising from the use of assets by others of the municipal assets yielding interest royalties and dividends shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset;

Royalties shall be recognised as they are earned in accordance with the substance of the relevant agreement; and

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified.

The income recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

Revenue are initially recognised at cost as permitted in terms of Gazette 30013 of 29 June 2007.

#### **1.14 PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### **1.15 CONTINGENT ASSETS**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality. Contingent assets are not recognised as assets.

#### **1.16 CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

#### **1.17 CONDITIONAL GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is raised.

### **1.18 CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash at bank. Short term investments are excluded. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

### **1.19 UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### **1.20 IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### **1.21 FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### **1.22 COMPARATIVE INFORMATION**

Budgeted amounts have been included in the annual financial statements for the current financial year only. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

### **1.23 RETIREMENT BENEFITS**

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Cape Retirement Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund
- National Fund for Municipal Workers

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

#### **a) Defined contribution plans**

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

#### **b) Post employment medical care benefits**

The municipality provides post employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost, of these benefits is accrued over the period of employment.

Post employment medical care benefits are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

### **1.24 BORROWING COSTS**

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

### **1.25 CONSUMER DEPOSITS**

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

### **1.26 EVENTS AFTER BALANCE SHEET DATE**

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note to the financial statements.

### **1.27 VALUE ADDED TAX**

The municipality accounts for Value Added Tax on the invoice basis.

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

Note

2010

2009

**1 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

Cash on hand

Bank Balance

Short term deposits

8,037,570	2,574,860
30,903,064	24,663,560
<b>38,940,634</b>	<b>27,238,420</b>

The Municipality has the following bank accounts: -

**Current Account (Primary Bank Account)**

ABSA CURRENT 26 5056 0046

DISASTER BANK 40 6484 7486

6,553,204

1,126,555

1,484,366

1,448,305

Cash book balance at beginning of year

2,574,860

Cash book balance at end of year

8,037,570

2,574,860

Bank statement balance at beginning of year

2,278,627

Bank statement balance at end of year

7,822,418

2,278,627

**Current Account (Other Account)**

ABSA FIXED 206 381 3884

ABSA FIXED 206 350 7897

ABSA: TRUST KEETON 206 350 72

ABSA HOUSING 206 509 865

FNB LED 740 890 285

FNB WORKING CAPITAL 740 890 284

NED BANK WORKING CAPITAL 160 7777 69921

NED BANK SDL FUND 160 7777 69925

NED BANK ECO GREEN 160 7777 69928

STANDARD BANK MAINTANANCE 048 5600 650

NED BANK EQUIPMENT 160 7777 69923

NED BANK INDIGENT 376 6750 0223

NED BANK INSURANCE FUND 160 7777 699

ABSA AFF 206 598 6332

ABSA AFF 206 460 1519

ABSA COUNCIL CHAMBER 206 45741

ABSA FIXED 206 381 3842

ABSA FIXED 206 348 4566

ABSA FIXED 206 602 3614

STANDARD BANK 486 858 8001

NED BANK ESTABLISHMENT 1607777 699

7,698,737

7,157,322

4,124,973

3,834,884

7,217

6,773

38,815

36,086

1,974,617

1,862,363

425,559

1,113,857

-

391,730

51,951

48,593

41,847

39,142

545,132

514,264

1,407,702

1,316,706

13,949

13,612

70,368

65,819

-

1,237,994

3,084,222

1,629,330

-

-

2,507,828

2,331,464

6,842,488

1,381,606

801,947

497,948

2,638

2,638

1,263,076

1,181,429

**30,903,064**

**24,663,560**

Cash book balance at beginning of year

24,663,560

Cash book balance at end of year

30,903,064

24,663,560

Bank statement balance at beginning of year

24,663,560

-

Bank statement balance at end of year

30,903,064

24,663,560



**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

Note	2010	2009
	-	-
Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
	-	-
	-	-
Total cash and cash equivalents	38,940,634	27,238,420

**Savings Account**

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

**Cash on hand**

Total cash and cash equivalents

2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSA	Gross Balances	Provision for Doubtful Debts	Net Balance
<b><u>Trade receivables</u></b>			
<b>as at 30 June 2010</b>			
Service debtors			
Rates	8,976,521	(8,049,079)	927,442
Electricity	1,094,665	(731,720)	362,944
Water	750,396	(727,258)	23,137
Sewerage	2,681,868	(2,375,212)	306,657
Refuse	3,119,358	(2,691,362)	427,996
Other Recievables	2,477,693	(2,576,995)	(99,302)
<b>Total</b>	<b>19,100,500</b>	<b>(17,151,627)</b>	<b>1,948,873</b>

**as at 30 June 2009**

Service debtors			
Rates	7,095,245	(6,032,265)	1,062,980
Electricity	755,813	(274,367)	481,446
Water	677,588	(590,474)	87,114
Sewerage	2,212,326	(1,639,779)	572,547
Refuse	2,398,414	(1,745,323)	653,091
Other Recievables	2,563,909	(1,168,884)	1,395,025
<b>Total</b>	<b>15,703,295</b>	<b>(11,451,092)</b>	<b>4,252,203</b>

**Other receivables**

**Other receivables**

**Rates: Ageing**

Current (0 – 30 days)	75,983	60,813
31 - 60 Days	221,781	243,354
61 - 90 Days	213,380	237,955
91 - 120 Days	210,791	233,202
121 - 150 Days	815,101	-
+ 150 Days	7,439,485	6,319,921
Less Provision	(8,049,079)	(6,032,265)
<b>Total</b>	<b>927,442</b>	<b>1,062,980</b>

**Refuse: Ageing**

Current (0 – 30 days)	176,016	130,053
31 - 60 Days	128,444	111,208
61 - 90 Days	123,577	103,524
91 - 120 Days	113,289	88,227
121 - 150 Days	94,191	86,052
+ 150 Days	2,483,841	1,879,350
Less Provision	(2,691,362)	(1,745,323)
<b>Total</b>	<b>427,996</b>	<b>653,091</b>

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>Electricity: Ageing</b>			
Current (0 – 30 days)		203,338	155,454
31 - 60 Days		66,118	56,817
61 - 90 Days		58,119	46,796
91 - 120 Days		48,228	44,122
121 - 150 Days		39,021	40,696
+ 150 Days		679,840	411,928
Less Provision		(731,720)	(274,367)
<b>Total</b>		<b>362,944</b>	<b>481,446</b>

<b>Water: Ageing</b>			
Current (0 – 30 days)		25,290	24,132
31 - 60 Days		14,679	17,933
61 - 90 Days		14,297	14,112
91 - 120 Days		9,605	14,026
121 - 150 Days		11,147	10,265
+ 150 Days		675,378	597,120
Less Provision		(727,258)	(590,474)
<b>Total</b>		<b>23,137</b>	<b>87,114</b>

<b>Sewerage: Ageing</b>			
Current (0 – 30 days)		118,690	114,612
31 - 60 Days		131,688	79,233
61 - 90 Days		80,512	79,881
91 - 120 Days		80,493	78,323
121 - 150 Days		76,855	80,083
+ 150 Days		2,193,630	1,780,194
Less Provision		(2,375,212)	(1,639,779)
<b>Total</b>		<b>306,657</b>	<b>572,547</b>

<b>Other: Ageing</b>			
Current (0 – 30 days)		29,493	24,092
31 - 60 Days		22,668	178,964
61 - 90 Days		13,434	371,222
91 - 120 Days		13,288	16,304
121 - 150 Days		16,366	1,973,327
+ 150 Days		2,382,444	-
Less Provision		(2,576,995)	(1,168,884)
<b>Total</b>		<b>(99,302)</b>	<b>1,395,025</b>

Consumers	Industrial / Commercial	National and Provincial Government
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**Summary of Debtors by Customer Classification  
as at 30 June 2010**

Current (0 – 30 days)	247,205	36,389	118,616
31 - 60 Days	314,672	47,599	146,539
61 - 90 Days	312,883	46,196	97,952
91 - 120 Days	290,320	42,764	58,123
121 - 365 Days	2,429,035	509,272	1,016,230
+ 365 Days	11,208,021	573,938	1,474,263
Sub-total	<b>14,802,136</b>	<b>1,256,158</b>	<b>2,911,723</b>
Less: Provision for doubtful debts	(14,112,538)	(1,083,088)	(1,956,001)
	<b>689,598</b>	<b>173,070</b>	<b>955,722</b>

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

Note	2010	2009
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**Total debtors by customer classification  
as at 30 June 2009**

Current (0 – 30 days)	305,731	81,741	121,685
31 - 60 Days	396,930	44,499	246,081
61 - 90 Days	729,576	34,729	89,184
91 - 120 Days	372,033	32,830	69,342
121 - 365 Days	352,036	31,253	69,425
+ 365 Days	10,699,944	979,504	1,036,681
Sub-total	<b>12,856,250</b>	<b>1,204,556</b>	<b>1,632,398</b>
Less: Provision for doubtful debts	(11,451,093)		
<b>Total debtors by customer classification</b>	<b>1,405,157</b>	<b>1,204,556</b>	<b>1,632,398</b>

**Reconciliation of the doubtful debt provision**

Balance at beginning of the year	11,451,093	8,667,591
Contributions to provision	5,700,534	2,783,502
Doubtful debts written off against provision	-	-
Reversal of provision	-	-
<b>Balance at end of year</b>	<b>17,151,627</b>	<b>11,451,093</b>

**3 INVENTORIES**

**Opening balance of inventories:**

	<b>110,173</b>	<b>360,361</b>
Consumable stores - at cost	60,072	283,067
Fuel and Diesel	47,199	74,841
Water	2,902	2,453

**4 Trade and Other Receivables**

Other Receivables		147,756
Prepayments	29,825	43,940
	<b>29,825</b>	<b>191,696</b>

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

**5 PROPERTY, PLANT AND EQUIPMENT**

**5.1 Reconciliation of Carrying Value**

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
<b>as at 1 July 2009</b>	<b>598,200</b>	<b>35,520,086</b>	<b>42,341,147</b>	<b>2,735,745</b>	-	<b>9,259,964</b>	-	<b>90,455,142</b>
Cost/Revaluation	598,200	35,520,086	48,058,955	5,894,443	-	19,462,606	-	109,534,290
Correction of error								-
Change in accounting policy								-
Accumulated depreciation and impairment losses	-	-	(5,717,808)	(3,158,698)	-	(10,202,642)	-	(19,079,148)
Acquisitions	-	5,545,683	-	814,527	-	5,601,686	-	11,961,897
Capital under Construction	-	-	14,992,891	-	-	-	-	14,992,891
Depreciation	-	-	(1,462,448)	(74,929)	-	(3,132,320)	J.5.25	(4,669,697)
Carrying value of disposals	-	-	-	-	-	(80,845)	-	(80,845)
Cost/Revaluation	-	-	-	-	-	(303,167)	-	(303,167)
Accumulated depreciation and impairment losses	-	-	-	-	-	222,323	-	222,323
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Other movements*	-	-	-	-	-	-	-	-
	J.5.1	J.5.1	J.5.1	J.5.1		J.5.1		J.5.25
<b>as at 30 June 2010</b>	<b>598,200</b>	<b>41,065,769</b>	<b>55,871,590</b>	<b>3,475,343</b>	-	<b>11,648,485</b>	-	<b>112,659,387</b>
Cost/Revaluation	598,200	41,065,769	63,051,846	6,708,970	-	24,761,125	-	136,185,910
Accumulated depreciation and impairment losses	-	-	(7,180,256)	(3,233,627)	-	(13,112,640)	-	(23,526,523)

\*Other movements consist of .....

Refer to Appendix B for more detail on property, plant and equipment

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009


**5.2 Reconciliation of Carrying Value**

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
<b>as at 1 July 2008</b>	-	<b>29,729,344</b>	<b>30,683,542</b>	<b>347,884</b>	-	<b>9,876,159</b>	<b>1,381,123</b>	<b>72,018,052</b>
Cost/Revaluation	-	29,729,344	34,997,058	3,429,567	-	17,287,521	1,849,516	87,293,006
Correction of error								-
Change in accounting policy								-
Accumulated depreciation and impairment losses	-	-	(4,313,516)	(3,081,683)	-	(7,411,362)	(468,393)	(15,274,954)
Acquisitions	598,200	5,790,742	13,061,897	2,464,876	-	2,175,085	-	24,090,800
Capital under Construction	-	-	-	-	-	-	-	-
Depreciation	-	-	(1,404,292)	(77,015)	-	(2,791,280)	(369,903)	(4,642,490)
Carrying value of disposals	-	-	-	-	-	-	<b>(1,011,220)</b>	<b>(1,011,220)</b>
Cost/Revaluation	-	-	-	-	-	-	(1,849,516)	(1,849,516)
Accumulated depreciation and impairment losses	-	-	-	-	-	-	838,296	838,296
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
*Other movements	-	-	-	-	-	-	-	-
<b>as at 30 June 2009</b>	<b>598,200</b>	<b>35,520,086</b>	<b>42,341,147</b>	<b>2,735,745</b>	-	<b>9,259,964</b>	-	<b>90,455,142</b>
Cost/Revaluation	598,200	35,520,086	48,058,955	5,894,443	-	19,462,606	-	109,534,290
Accumulated depreciation and impairment losses	-	-	(5,717,808)	(3,158,698)	-	(10,202,642)	-	(19,079,148)

\*Other movements consist of .....

Refer to Appendix B for more detail on property, plant and equipment

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>6 INVESTMENT PROPERTY CARRIED AT COST</b>			
<b>6.1 Reconciliation of carrying value</b>			
	Investment property	Investment property	Total
 <a href="#">J.5.1</a>			
<b>as at 1 July 2009</b>	<b>3,315,500</b>	<b>-</b>	<b>3,315,500</b>
Cost	3,315,500	-	3,315,500
Correction of error			-
Change in accounting policy			-
Accumulated depreciation and impairment losses	-	-	-
Acquisitions	-	-	-
Depreciation	-	-	-
Carrying value of disposals	-	-	-
Cost	-	-	-
Accumulated depreciation	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-
Transfers	-	-	-
Other movements	-	-	-
<b>as at 30 June 2010</b>	<b>3,315,500</b>	<b>-</b>	<b>3,315,500</b>
Cost	3,315,500	-	3,315,500
Accumulated depreciation and impairment losses	-	-	-
	Investment property	Investment property	Total
<b>6.1 Reconciliation of carrying value</b>			
<b>as at 1 July 2008</b>	<b>3,315,500</b>	<b>-</b>	<b>3,315,500</b>
Cost	3,315,500	-	3,315,500
Correction of error			-
Change in accounting policy			-
Accumulated depreciation and impairment losses	-	-	-
Acquisitions	-	-	-
Depreciation	-	-	-
Carrying value of disposals	-	-	-
Cost	-	-	-
Accumulated depreciation	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-
Transfers			-
Other movements			-
<b>as at 30 June 2009</b>	<b>3,315,500</b>	<b>-</b>	<b>3,315,500</b>
Cost	3,315,500	-	3,315,500
Accumulated depreciation and impairment losses	-	-	-

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

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**7 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade creditors		
Payments received in advance	130,216	115,453
Retentions	821,966	741,268
Accruals	2,787,334	3,300,286
Accrued interest	-	-
Accrued expense SARS	34,009	34,009
Deposits Received	54,094	34,300
Other creditors		23,874
<b>Total creditors</b>	<b>3,827,618</b>	<b>4,249,190</b>

The fair value of trade and other payables approximates their carrying amounts.

**8 CONSUMER DEPOSITS**

Electricity and Water	131,166	121,890
<b>Total consumer deposits</b>	<b>131,166</b>	<b>121,890</b>
<b>Guarantees held in lieu of Electricity and Water Deposits</b>	<b>-</b>	<b>-</b>

**9 VAT RECEIVABLE**

VAT receivable	4,010,661	10,686,171
----------------	-----------	------------

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

**10 PROVISIONS**

Provision for leave	2,596,157	2,153,378
Other provisions		
<b>Total Provisions</b>	<b>2,596,157</b>	<b>2,153,378</b>

The movement in current provisions are reconciled as follows: -

	Performance Bonus	Provision for leave
<b>as at 01 July 2009</b>	0	1,498,726
Contributions to provision	0	734,045
Expenditure incurred	0	(79,393)
<b>as at 30 June 2009</b>	<b>-</b>	<b>2,153,378</b>
<b>as at 01 July 2010</b>	<b>-</b>	<b>2,153,378</b>
Contributions to provision	-	508,543
Expenditure incurred	-	(65,764)
<b>as at 30 June 2010</b>	<b>-</b>	<b>2,596,157</b>

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

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**11 UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

**11.1 Unspent Conditional Grants from other spheres of Government**

MIG Grants  
FMG  
Housing Grant  
MSIG  
Library Grant

625,992	1,960,412
11,929	
2,489,318	
6,703	
353,084	

**11.2 Other Unspent Conditional Grants and Receipts**

Taung Flood Damages and Roads  
SASSA

-	-
40,000	40,000

**Total Unspent Conditional Grants and Receipts**

<b>3,527,026</b>	<b>2,000,412</b>
------------------	------------------

**12 PROPERTY RATES**

**Actual**

Municipal

**Total property rates**

4,749,767	4,069,782
<b>4,749,767</b>	<b>4,069,782</b>

Property rates - penalties imposed and collection charges

**Total**

534,541	407,215
<b>5,284,308</b>	<b>407,215</b>

**Valuations**

Residential  
Commercial  
State  
Small Holdings and Farms  
Exempted  
Empty Sites  
**Total Property Valuations**

144,171,850	90,725,900
90,153,700	55,606,140
17,019,630	40,715,590
675,067,900	17,000
6,399,050	47,610,510
2,094,370	-
<b>934,906,500</b>	<b>234,675,140</b>

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2009. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations.

A general rate of R0.02352 is applied to property valuations to determine assessment rates as approved by Council in the tariffs list. Rebates are granted to residential, pensioners, and indigents property owners. Rates are levied on an annual basis on property owners.

Rates are levied on an annual basis with the final date of payment being 31 May 2010. Interest at 12% per annum are levied on outstanding rates after final date of pay.



**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>13 SERVICE CHARGES</b>			
Sale of electricity		1,733,269	1,414,076
Sale of water		229,243	224,634
Refuse removal		1,642,407	1,349,717
Sewerage and sanitation charges		1,169,465	1,002,169
<b>Total Service Charges</b>		<b>4,774,384</b>	<b>3,990,596</b>
<b>14 RENTAL OF FACILITIES AND EQUIPMENT</b>			
Rental Income		276,786	295,840
<b>Total rentals</b>		<b>276,786</b>	<b>295,840</b>
<b>15 INTEREST EARNED - EXTERNAL INVESTMENTS</b>			
Bank		3,833,430	4,317,225
<b>Total interest</b>		<b>3,833,430</b>	<b>4,317,225</b>
<b>16 INTEREST EARNED - OUTSTANDING RECEIVABLES</b>			
Interest on Late Payments		841,802	801,038
<b>Total interest</b>		<b>841,802</b>	<b>801,038</b>
<b>17 GOVERNMENT GRANTS AND SUBSIDIES</b>			
Equitable share		59,521,696	44,043,076
Department of Sports - Library		296,916	650,000
MIG Grant		20,658,420	15,441,097
Financial Management Grant		731,931	500,000
Municipal Systems Improvement Grant		734,437	735,000
LG SETA		74,147	
DBSA Grant		-	934,057
Department of Housing		18,143,521	5,544,000
<b>Total Government Grant and Subsidies</b>		<b>100,161,068</b>	<b>67,847,230</b>
<b>17.1 Equitable Share</b>			
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.			
<b>17.2 MIG Grant</b>			
<b>Balance unspent at beginning of year</b>		1,960,412	1,960,412
Current year receipts		19,324,000	15,441,097
Conditions met - transferred to revenue		(20,658,420)	(15,441,097)
<b>Conditions still to be met - remain liabilities</b>		<b>625,992</b>	<b>1,960,412</b>

*The grants was used to construct roads and other infrastructure assets*

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>17.3 Other Government Grants and Subsidies</b>			
<b>Department of Sports - Library</b>			
Current year receipts		650,000	650,000
Conditions met - transferred to revenue		(296,916)	(650,000)
<b>Conditions still to be met - remain liabilities</b>		<b>353,084</b>	<b>-</b>
<i>Grant was used for library activities and assets</i>			
<b>Financial Management Grant</b>			
Current year receipts		750,000	500,000
Conditions met - transferred to revenue		(738,071)	(500,000)
<b>Conditions still to be met - remain liabilities</b>		<b>11,929</b>	<b>-</b>
<i>This grant was used to promote and support reforms to financial management practices, including the modernisation of budgeting, financial management, accounting, monitoring systems and implementation of the Financial Management Act</i>			
<b>Municipal Systems Improvement Grant</b>			
Current year receipts		735,000	735,000
Conditions met - transferred to revenue		(728,297)	(735,000)
<b>Conditions still to be met - remain liabilities</b>		<b>6,703</b>	<b>-</b>
<i>The grant was used to establish building capacity in the district and local municipalities to ensure that the new developmental system of local government is fully implemented.</i>			
<b>DBSA Grant</b>			
Current year receipts		-	934,057
Conditions met - transferred to revenue		-	(934,057)
<b>Conditions still to be met - remain liabilities</b>		<b>-</b>	<b>-</b>
<b>Department of Housing and Local Government</b>			
Current year receipts		20,632,839	5,544,000
Conditions met - transferred to revenue		(18,143,521)	(5,544,000)
<b>Conditions still to be met - remain liabilities</b>		<b>2,489,318</b>	<b>-</b>
<i>Grant was utilised for construction of RDP houses</i>			
<b>Taung Floods and Damaged Roads</b>			
Balance unspent at beginning of the year		-	1,334,072
Transferred to accumulated Surplus		-	(1,334,072)
<b>Conditions still to be met - remain liabilities</b>		<b>-</b>	<b>-</b>
<b>LG SETA</b>			
Current year receipts		74,147	-
Conditions met - transferred to revenue		(74,147)	-
<b>Conditions still to be met - remain liabilities</b>		<b>-</b>	<b>-</b>

**17.4 Changes in levels of government grants**

Based on the allocations set out in the Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

**18 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS**

<b>Other income</b>			
Sundry Income		391,539	-
Other Income		113,951	92,760
<b>Total Other Income</b>		<b>505,490</b>	<b>92,760</b>

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>19 EMPLOYEE RELATED COSTS</b>			
Salaries and Wages		18,819,041	15,980,153
UIF Contributions		161,631	123,136
Medical Aid - Company Contributions		1,183,647	1,002,044
Casual Labour		259,160	24,100
Car Allowance		717,183	807,729
Group Life		4,150	3,736
Housing benefits and allowances		43,342	157,874
Overtime payments		-	-
Bonus		1,036,588	912,003
Pension Fund Contributions		2,710,258	2,390,950
Leave Pay Provision Charge		508,543	734,045
Standby Allowances		-	89,913
Skills Development Levy		165,388	137,340
Workmans Compensation Association		245,973	448,835
Bargaining Council Levies		8,195	7,556
<b>Total Employee Related Costs</b>		<b>25,863,098</b>	<b>22,819,414</b>
There were no advances to employees / Loans to employees are set out in note 3.			
<b>Remuneration of the Municipal Manager</b>			
Annual Remuneration		378,293	329,316
Telephone Allowance		46,000	-
Travel, motor car, accommodation, subsistence and other allowances		138,000	288,000
House Allowance		92,000	-
Contributions to UIF, Medical and Pension Funds		1,497	4,791
<b>Total</b>		<b>655,790</b>	<b>622,107</b>
<b>Remuneration of the Acting Municipal Manager</b>			
Annual Remuneration		462,580	-
Travel, motor car, accommodation, subsistence and other allowances		122,420	-
Contributions to UIF, Medical and Pension Funds		1,123	-
<b>Total</b>		<b>586,123</b>	<b>-</b>
<b>Remuneration of the Chief Finance Officer</b>			
Annual Remuneration		105,000	338,880
Leave		-	16,474
Travel, motor car, accommodation, subsistence and other allowances		49,401	41,863
Contributions to UIF, Medical and Pension Funds		23,474	4,512
<b>Total</b>		<b>177,875</b>	<b>401,729</b>
<b>Remuneration of Individual Executive Directors</b>			
<b>Remuneration of Director Technical Services</b>			
Annual Remuneration		469,944	414,840
Performance- and other bonuses		-	36,000
Travel, motor car, accommodation, subsistence and other allowances		105,000	122,139
Contributions to UIF, Medical and Pension Funds		1,497	5,646
<b>Total</b>	-	<b>576,441</b>	<b>578,625</b>
<b>Remuneration of Director Community Services</b>			
Annual Remuneration		457,944	402,840
Travel, motor car, accommodation, subsistence and other allowances		105,000	147,749
Other Allowances		12,000	-
Contributions to UIF, Medical and Pension Funds		1,497	5,526
<b>Total</b>	-	<b>576,441</b>	<b>556,115</b>
<b>Remuneration of Land Use</b>			
Annual Remuneration		418,944	363,840
Travel, motor car, accommodation, subsistence and other allowances		120,000	178,265
House Allowance		36,000	-
Contributions to UIF, Medical and Pension Funds		1,497	5,136
<b>Total</b>	-	<b>576,441</b>	<b>547,241</b>

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>Remuneration of Corporate Services</b>			
Annual Remuneration		392,160	392,160
Performance- and other bonuses		-	32,230
Medical Aid		38,064	-
Travel, motor car, accommodation, subsistence and other allowances		72,000	186,499
Contributions to UIF and Pension Funds		74,217	5,419
<b>Total</b>	-	<b>576,441</b>	<b>616,308</b>
<b>20 REMUNERATION OF COUNCILLORS</b>			
Mayor		416,256	359,067
Speaker		333,000	291,907
Executive Committee Members		2,809,728	2,628,033
Councillors		4,084,844	4,308,966
Councillors' allowances		2,548,377	2,453,229
<b>Total Councillors' Remuneration</b>		<b>10,192,205</b>	<b>10,041,202</b>
<b>In-kind Benefits</b>			
The Mayor, Speaker, Chief Whip and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.			
The Executive Mayor has use of the Council owned vehicle for official duties.			
<b>21 DEPRECIATION AND AMORTISATION EXPENSE</b>			
Property, plant and equipment		4,669,697	3,245,037
Intangible assets			
Investment property carried at cost			
Biological assets carried at cost			
<b>Total Depreciation and Amortisation</b>		<b>4,669,697</b>	<b>3,245,037</b>
<b>22 FINANCE COSTS</b>			
Late Payments of Tax		-	977,559
Other Interest Paid		-	277,502
Bank overdrafts		-	-
<b>Total Finance Costs</b>		<b>-</b>	<b>1,255,061</b>
<b>23 BULK PURCHASES</b>			
Electricity		1,532,369	1,698,481
Water		-	239,374
<b>Total Bulk Purchases</b>		<b>1,532,369</b>	<b>1,937,855</b>
<b>24 CONTRACTED SERVICES</b>			
Contracted services for:			
Operating Leases		1,349,529	942,209
		<b>1,349,529</b>	<b>942,209</b>

**Greater Taung Local Municipality**  
**NOTES TO THE FINANANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>25 GENERAL EXPENSES</b>			
Included in general expenses are the following:-			
Advertising		147,216	353,817
Allowance Ward Committee Members		1,478,700	-
Asset Management		50,400	-
Aerodrome Licence		1,377	-
Audit fees		1,300,315	1,380,223
Accommodation Costs		482,205	387,431
Bank charges		76,260	74,480
Bad Debts		-	-
Business Support/ SMME Facilitation		552,860	-
Books and Publication		14,784	-
Bursaries		488,309	-
Catering and Refreshments Expenses		384,670	345,463
Cleaning		304,660	233,935
Connection charges		-	-
Consulting and Professional Fees		229,743	925,704
Consumables		578	255,654
Computer Expenses		-	2,221
Community Development and Training		-	1,716,991
Document Management		450,168	-
Donations		19,895	2,478
Financial management grant		731,931	-
Fuel and oil		1,733,188	1,667,414
Free Service and Indigent Support		759,894	484,152
Grant in Aid		6,965	-
GAMAP/GRAP Conversion		545,065	-
Grant Expenditure (Housing)		18,143,521	9,828,625
Health and Safety		151,131	122,632
Insurance		233,139	425,852
Land Zoning		15,693	-
Legal expenses		1,798,019	-
Library Programmes		59,875	-
Library Expenditure		4,168	181,826
Lost Books		39	-
MSIG		728,300	-
Magazines, books, and periodicals		-	10,861
Postage and Courier Costs		18,401	18,859
Printing and stationery		445,806	187,702
Project Maintenance Costs		-	639,173
Property Only		-	353,489
Purchase of Water (Own Usage)		115,572	-
Purchase of Electricity (Own Usage)		533,245	-
Project Management Unit (PMU)		628,004	-
Protective Clothing		160,973	106,678
Public Participation		851,089	-
Rental of office equipment		-	-
Royalties and Licence Fees		159,707	144,354
Professional Fees		-	-
Security costs		580,784	557,549
Sewerage treatment costs		-	-
Skills development levies		-	-
Sports		130,133	-
Stores and material		324,448	-
Subscription & Membership Fees		271,095	343,634
Special Programmes		481,753	-
Telephone and Fax costs		1,532,768	1,660,902
Title Deed Search Fees		5,618	20,685
Turn Around Strategy		906,585	-
Training		603,464	301,051
Substance and Travel		560,317	510,524
Valuation costs		-	1,921,456
Year End Function		9,820	-
Other Expenses		28,172	140,932
		<b>39,240,823</b>	<b>25,306,747</b>

**Greater Taung Local Municipality**  
**NOTES TO THE FINANANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>26 GAIN / (LOSS) ON SALE OF ASSETS</b>			
Property, plant and equipment		33,191	-
Intangible assets		-	-
Investment property		-	-
Biological assets		-	-
Other financial assets		-	-
<b>Total Gain / (Loss) on Sale of Assets</b>		<b>33,191</b>	<b>-</b>

**27 IMPAIRMENT LOSS / (REVERSAL OF IMPAIRMENT LOSS)**

Property, plant and equipment

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount (or recoverable service amount) of the asset was based on its fair value less costs to sell or [its value in use.]

Intangible assets

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount (or recoverable service amount) of the asset was based on its fair value less costs to sell or [its value in use.]

Investment property

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount (or recoverable service amount) of the asset was based on its fair value less costs to sell or [its value in use.]

Biological assets

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount (or recoverable service amount) of the asset was based on its fair value less costs to sell or [its value in use.]

Other financial assets

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount (or recoverable service amount) of the asset was based on its fair value less costs to sell or [its value in use.]

**Total Impairment loss / (Reversal of Impairment Loss)**

-	-
---	---

**Value in use**

Provide: A description of each key assumption on which management has based its cash flow projections for the period covered by the most recent budgets/forecasts. Key assumptions are those to which the unit's (group of units') recoverable amount (or recoverable service amount) is most sensitive.

A description of management's approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.

The period over which management has projected cash flows based on financial budgets/forecasts approved by management and, when a period greater than five years is used for a cash-generating unit (group of units), an explanation of why that longer period is justified.

The growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts, and the justification for using any growth rate that exceeds the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market to which the unit (group of units) is dedicated.

The discount rate(s) applied to the cash flow projections was x% (20x0:x%).

**Fair value less cost to sell**

Provide: A description of the methodology used to determine fair value less costs to sell. If fair value less costs to sell is not determined using an observable market price for the unit (group of units), the following information shall also be disclosed:

A description of each key assumption on which management has based its determination of fair value less costs to sell.

A description of management's approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	Note	2010	2009
<b>28 CASH GENERATED BY OPERATIONS</b>			
Surplus/(deficit) for the year		22,993,776	11,170,476
Adjustment for:-			
Depreciation and amortisation		4,669,697	3,245,037
(Gain) / loss on sale of assets		(33,191)	-
Contribution to provisions - non-current			
Contribution to provisions - current			
Finance costs		-	1,255,061
Movement in provisions		442,779	654,652
Impairment loss / (reversal of impairment loss)			
Interest earned		(3,833,430)	(4,317,225)
<b>Prior period Errors</b>			<b>(1,129,385)</b>
Other non-cash item		(8,432)	913,162
<b>Operating surplus before working capital changes:</b>		<b>24,231,200</b>	<b>11,791,778</b>
(Increase)/decrease in inventories		250,188	2,832
(Increase)/decrease in trade receivables		2,303,330	259,712
(Increase)/decrease in other receivables		161,871	203,581
(Increase)/decrease in VAT receivable		6,675,511	
Increase/(decrease) in conditional grants and receipts		1,526,614	1,374,071
Increase/(decrease) in trade payables		(421,572)	<b>1,723,586</b>
Increase/(decrease) in consumer deposits			
Increase/(decrease) in VAT payable			(4,034,312)
Other asset			
Other liability			
<b>Cash generated by/(utilised in) operations</b>		<b>34,727,143</b>	<b>11,321,248</b>
<b>29 CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents included in the cash flow statement comprise the following:			
Bank balances and cash		38,940,634	24,663,560
Bank overdrafts			
<b>Net cash and cash equivalents (net of bank overdrafts)</b>		<b>38,940,634</b>	<b>27,238,420</b>

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>30 CHANGE IN ACCOUNTING POLICY AND CORRECTION OF ERRORS</b>			
<b>Correction of Errors</b>			
<b>Balance previously reported: -</b>			
Capital Replacement Reserve(Reserve not backed by cash in line with GRAP conversion)			6,273,978
Government Grant Reserve (Reserve not backed by cash in line with GRAP conversion)			29,035,262
<b>Total</b>		-	<b>35,309,241</b>
During the conversion to GRAP in 2008/09 the Capital Replacement Reserve, Government Grant Reserve and Revaluation Reserve were not transferred to Accumulated Surplus. The reserve are no longer required and they were not cash backed			
<b>Implementation of GRAP</b>			
Transferred to Accumulated Surplus/(Deficit)			35,309,241
<b>Balance previously reported</b>			
Taung Flood (Already been utilised)			1,334,072
Leased Assets (GTLM no longer have lease assets)			(1,849,516)
Accumulated Depreciation on Leased Assets (GTLM no longer have lease assets)			838,296
Finance Lease Liability (GTLM no longer have lease assets)			1,336,217
<b>Total</b>		-	<b>1,659,069</b>
Photo-copy machine were erroneously treated as finance lease on the 2008/2009 and finance lease liability, Assets and accumulated depreciation were written back to accumulated surplus as the content of the contract were not sufficient to include them as finance leases. Taung Flood amount has already been utilised in 2007/08.			
<b>Implementation of GRAP</b>			
Transferred to Accumulated Surplus/(Deficit)			1,659,069
<b>Balance previously reported</b>			
Property, Plant & Equipments (Investment Property)			94,781,362
<b>Total</b>			<b>94,781,362</b>
The investment property was wrongly included on the Property, Plant & Equipment during the 2008/2009 and in the year under review 2009/2010 they were transferred to Investment Property.			
<b>Correction of error</b>			
Transferred to Investment Property			3,315,500
<b>Total</b>			<b>3,315,500</b>
<b>Correction of Error</b>			
VAT Input/Output (VAT underclaimed during 2008/2009 but received during 2009/2010)			1,476,875
<b>Total</b>			<b>1,476,875</b>
VAT received by Consultant resulted in VAT input being understated and as a result the VAT receivable during 2008/2009 were understated and the amount was received during the year under review in 2009/2010.			
Transferred to Accumulated Surplus/(Deficit)			1,476,875
<b>Total</b>			<b>1,476,875</b>
<b>Correction of Error - Backpay of councillors</b>			
<b>Balance as previously reported</b>			
Remuneration of councillors			9,441,997
Adjustment relating to backpay for 2008/09 to councillors			599,205
			<b>10,041,202</b>
<b>Balance as previously reported</b>			
Accumulated surplus opening balance			129,076,627
Adjustment relating to backpay for 2007/08 and 2008/09 to councillors			(1,129,385)
			<b>127,947,242</b>
<b>Balance as previously reported</b>			
Accruals			2,170,901
Adjustment relating to backpay for 2007/08 and 2008/09 to councillors			1,129,385
			<b>3,300,286</b>
<b>This error relates to a different grading on remuneration of councillors for 2007/08 and 2008/09. For more detail, refer to note 35</b>			
<b>UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>			
<b>31 DISALLOWED</b>			
<b>31.1 Unauthorised expenditure</b>			
Reconciliation of unauthorised expenditure			
Opening balance		6,407,482	-
Unauthorised expenditure current year		-	6,407,482
Approved by Council or condoned		-	-
Transfer to receivables for recovery		-	-
Unauthorised expenditure awaiting authorisation		<b>6,407,482</b>	<b>6,407,482</b>
		6,407,482	



**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>31.2 Fruitless and wasteful expenditure</b>			
Reconciliation of fruitless and wasteful expenditure			
Opening balance -		977,559	-
Fruitless and wasteful expenditure current year(SARS Penalties)		-	34,009
Fruitless and wasteful expenditure (Interest Paid)		-	943,550
Condoned or written off by Council		-	-
To be recovered – contingent asset		-	-
Fruitless and wasteful expenditure awaiting condonement		<u>977,559</u>	<u>977,559</u>

PAYE,SDL and UIF were paid late for April 2009, resulting in the above mentioned penalties and interest.

In the case between Mr DK Mogashwa vs Greater Taung LM, the municipality was ordered to pay Mr DK Mogashoa. Then amount were paid late, resulting in the above mentioned interest paid.

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>31.3 Irregular expenditure</b>			
Reconciliation of irregular expenditure			
Opening balance		26,720,078	
Irregular expenditure for current year		3,065,952	15,964,105
Condoned or written off by Council		-	-
Transfer to receivables for recovery – not condoned		-	-
Irregular expenditure awaiting condonement		<u>29,786,030</u>	<u>15,964,105</u>
Mokgareng Storm Water Construction - MIG/NW/0695/ST/07/09	29,810		
Greater Taung Waste Management - MIG/NW/0694/SW/07/12	313,911		
Modimong/Cokonyane Roads - MIG/NW/0692/R/ST/08/13	154,864		
Lokgabeng Roads & Stormwater - MIG/NW/0693/R,ST/08/09	827,059		
Machonisa Roads & Stormwater - MIG/NW/0735/R,ST/07/09	475,327		
Buxton World Heritage	900,609		
Taung Walking - MIG/NW/0368/CF/06/07	151,380		
Boipelo Hostel - MIG/NW/0421/LA(M)/07/09	92,286		
Gataote Stormwater - MIG/NW/0529/ST/07/08	120,706		
	<u><b>3,065,952</b></u>		

Irregular expenditure for 2009/10 will go to council to take notice thereof.  
After investigation a report will be submitted to council for condonation

**32 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

**32.1 Contributions to organised local government**

Opening balance	-	-
Council subscriptions	28,978	33,776
Amount paid - current	(28,978)	(33,776)
Amount paid - previous years	-	-
<b>Balance unpaid (included in payables)</b>	<u>-</u>	<u>-</u>

**32.2 Audit fees**

Opening balance	-	-
Current year audit fee	1,300,315	1,380,223
Amount paid - current year	(1,300,315)	(1,380,223)
Amount paid - previous years	-	-
<b>Balance unpaid (included in payables)</b>	<u>-</u>	<u>-</u>

**32.3 VAT**

VAT input receivables and VAT output payables are shown in note 18. All VAT returns have been submitted by the due date throughout the year.

**32.4 PAYE, SDL and UIF**

Opening balance	-	-
Current year payroll deductions	4,633,002	4,240,608
Amount paid - current year	(4,633,002)	(4,240,608)
Amount paid - previous years	-	-
<b>Balance unpaid (included in payables)</b>	<u>-</u>	<u>-</u>

**32.5 Pension and Medical Aid Deductions**

Opening balance	-	-
Current year payroll deductions and Council Contributions	7,851,421	6,819,084
Amount paid - current year	(7,851,421)	(6,819,084)
Amount paid - previous years	-	-
<b>Balance unpaid (included in payables)</b>	<u>-</u>	<u>-</u>

The balance represents pension and medical aid contributions deducted from employees in the June 2010 payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during 2009 and 2010.

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

	Note	2010	2009
<b>32.6 Councillor's arrear consumer accounts</b>			
The following Councillors had arrear accounts outstanding for more than 90 days as at: -	Total	Outstanding less than 90 days	Outstanding more than 90 days
<b>as at 30 June 2010</b>			
	-	-	-
	-	-	-
	-	-	-
<b>Total Councillor Arrear Consumer Accounts</b>		-	-
<b>as at 30 June 2009</b>			
BT Moiloa	326	66	260
PW Kgosieng	141	-	141
TM Makhubo	356	139	217
<b>Total Councillor Arrear Consumer Accounts</b>	<b>823</b>	<b>205</b>	<b>618</b>
During the year the following Councillors had arrear accounts outstanding for more than 90 days.	Highest Amount Outstanding	Ageing Days	
<b>as at 30 June 2010</b>			
	-		0
	-		0
<b>as at 30 June 2009</b>			
	-		0
	-		0

**32.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act**

**33 CAPITAL COMMITMENTS**

**33.1 Commitments in respect of capital expenditure**

<b>- Approved and contracted for</b>	<b>38,641,175</b>	<b>145,443,226</b>
Property Plant and Equipment	38,641,175	145,443,226
Community		
Heritage		
Other		
<b>- Approved but not yet contracted for</b>	<b>-</b>	<b>5,427,054</b>
Infrastructure		
Community		
Heritage		
Other		5,427,054
<b>Total</b>	<b>38,641,175</b>	<b>150,870,280</b>
This expenditure will be financed from:		
- External Loans		
- Government Grants	38,641,175	150,870,280
- Own resources		
- District Council Grants		
	<b>38,641,175</b>	<b>150,870,280</b>

**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

Note

2010

2009

### 34 CONTINGENT LIABILITY

#### 34.1 Claim for damages

##### PENDING LEGAL CASES / GTLM

##### 1) GTLM V/S MEOKGO MATUBA(CCMA)

Miss Meokgo was dismissed from the municipality as the Municipal Manager. She is now challenging her dismissal at the CCMA. The matter is sub judice

##### 2) GTLM V/S CHARL DU PLESSIS (INTERNAL HEARING)

Charl Du Plessis is facing an internal disciplinary hearing. He was since suspended as the Director Corporate Services. The matter is still pending

##### 3) GTLM V/S O.J. MELAMU(INTERNAL HEARING)

O.J. Melamu is also facing an internal disciplinary hearing. He was since suspended as the Director Developmental Land Use and Planning. The matter is still pending.

##### 4) GTLM V/S G. HUMA(INTERNAL HEARING)

G.G. Huma is also facing internal disciplinary hearing. He is employed as the Director Community Services. The matter is still pending.

##### 5) GESTETNER V/S GTLM(CIVIL MATTER)

The Municipality has terminated a contract which we had with Gestetner. They used to supply photo copying machines and printers to the Municipality. They have since handed the Municipality to their Attorneys in order for them to challenge the cancellation or termination of the contract. The matter is being handled by our Attorneys. This matter is sub judice.

##### 6) CEDAR POINT JOINT VENTURE V/S GTLM(CIVIL MATTER)

This matter is currently under investigation by the commercial Branch of the South African Police Services as well as the Special Investigation Unit. They have not yet completed their investigations.

This Company was appointed to render services of the establishment of an ostrich farm infrastructure as well as ostrich abattoir.

The Municipality has since terminated the contract which was entered into between the Municipality and Cedar Point Joint Venture on the 25th of January 2010.

The Municipality have been served with summonses commencing action in the North West High Court.

We have referred this matter to the Attorneys in order for them to defend this matter. This matter is still pending.

##### 7) BOITUMELO MAHLANGU V/S GTLM(CIVIL MATTER)

Council has on the 09th of February 2010, noted the dissolution of the executive committee of council as a result of the resignation of some of the members of the executive council and thereby creating a vacancy. Councillor B Mahlangu there fore ceased to be the Mayor of GTLM because Exco was dissolved due to resignation of some of the African National Congress Exco Members.

The Municipality has been served with a letter of demand from Cllr B Mahlangu's Attorneys. They are demanding reinstatement of Cllr B Mahlangu as the Mayor of GTLM.

NB: The Municipality has not yet been served with Summonses commencing action at court. This matter has also been referred to the Attorneys of the Municipality

##### 8) GTLM V/S HAWKERS – COURT ORDER (CIVIL MATTER)

The municipality has instructed a firm of attorneys to apply for an urgent court order to have the hawkers who are trading illegally within Taung CBD removed. This matter is still pending.

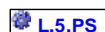
**Greater Taung Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

Note

2010

2009

**35 EVENTS AFTER THE REPORTING DATE**



The Council have approved the back pay for correction of error regarding different Grading on Remuneration of Councillors for 2007/08 and 2008/09. The amount for benchmarking and correction of error for councillors were paid in August 2010. This is an event arising after balance sheet date that provide evidence of conditions that existed at balance sheet date and therefore the financial statements are adjusted.

1,129,385.00

**36 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS**

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment  
Recoverable amounts of property, plant and equipment  
Provision for rehabilitation of landfill sites (discount rate used, number of years, amount of cash flows)  
Present value of defined benefit obligation  
Fair value of plan assets  
Provision for doubtful debts  
Impairment of assets  
Provision for long-term service award  
Other

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets  
Provisions  
Other

**Greater Taung Local Municipality**

**APPENDIX A**

**SCHEDULE OF EXTERNAL LOANS**

as at 30 June 2010

	Loan number	Redeemable Date	Balance at 30 June 2009	Received during the period	Redeemed / written off during the period	Balance at 30 June 2010	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with MFMA
<b>EXTERNAL LOANS</b>								
LONG-TERM LOANS		-	-	-	-	-	-	-
Total long-term loans			-	-	-	-	-	-
ANNUITY LOAN			-	-	-	-	-	-
			-	-	-	-	-	-
GOVERNMENT LOANS			-	-	-	-	-	-
Total Government Loans			-	-	-	-	-	-
TOTAL EXTERNAL LOANS			-	-	-	-	-	-

**Greater Taung Local Municipality**  
**APPENDIX B**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
as at 30 June 2010

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
<b>Land</b>													
Land	598,200	-	-	-	598,200	-	-	-	-	-	-	-	598,200
Landfill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-
	598,200	-	-	-	598,200	-	-	-	-	-	-	-	598,200
<b>Buildings</b>	35,520,086	5,545,683	-	-	41,065,769	-	-	-	-	-	-	-	41,065,769
<b>Infrastructure</b>													
Drains	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	32,681,828	-	-	13,116,779	45,798,607	(1,230,272)	(1,462,448)	-	-	(2,692,720)	-	-	43,105,887
Sewerage Mains & Purification	1,565,864	-	-	-	1,565,864	(427,470)	-	-	-	(427,470)	-	-	1,138,394
Electricity Mains	5,446,134	-	-	1,876,112	7,322,246	(2,498,463)	-	-	-	(2,498,463)	-	-	4,823,783
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	8,365,129	-	-	-	8,365,129	(1,561,603)	-	-	-	(1,561,603)	-	-	6,803,526
Reservoirs – Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Water	-	-	-	-	-	-	-	-	-	-	-	-	-
	48,058,955	-	-	14,992,891	63,051,846	(5,717,808)	(1,462,448)	-	-	(7,180,256)	-	-	55,871,590
<b>Community Assets</b>													
Parks & Gardens	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	5,636,597	24,519	-	-	5,661,117	(3,158,698)	(74,929)	-	-	(3,233,627)	-	-	2,427,490
Civic Buildings	257,845	790,008	-	-	1,047,853	-	-	-	-	-	-	-	1,047,853
Stadiums	-	-	-	-	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
	5,894,443	814,527	-	-	6,708,970	(3,158,698)	(74,929)	-	-	(3,233,627)	-	-	3,475,343
<b>Heritage Assets</b>													
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Paintings & Artifacts	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total carried forward</b>	90,071,684	6,360,211	-	14,992,891	111,424,785	(8,876,506)	(1,537,377)	-	-	(10,413,883)	-	-	101,010,902

**Greater Taung Local Municipality**  
**APPENDIX B**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
as at 30 June 2010

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
<b>Total brought forward</b>	90,071,684	6,360,211	-	14,992,891	111,424,785	(8,876,506)	(1,537,377)	-	-	(10,413,883)	-	-	101,010,902
<b>Other Assets</b>													
Office Equipment	1,799,740	310,715	-	-	2,110,455	(1,085,167)				(1,085,167)			1,025,288
Furniture & Fittings	777,136	259,631	-	-	1,036,767	(270,841)				(270,841)			765,926
Bins and Containers	76,110	-	-	-	76,110	(32,452)				(32,452)			43,658
Emergency Equipment	-	-	-	-	-	-				-			-
Motor vehicles	8,976,818	3,224,303	(303,167)	-	11,897,954	(4,688,638)	(3,132,320)	222,323		(7,598,636)			4,299,318
Fire engines	-	-	-	-	-	-				-			-
Refuse tankers	-	-	-	-	-	-				-			-
Computer Equipment	277,102	161,992	-	-	439,094	(2,778)				(2,778)			436,316
Computer Software (part of computer equipment)	10,981	6,089	-	-	17,070	(1,354)				(1,354)			15,716
Other Assets	7,544,719	1,638,956	-	-	9,183,675	(4,121,412)				(4,121,412)			5,062,263
	19,462,606	5,601,686	(303,167)	-	24,761,125	(10,202,642)	(3,132,320)	222,323	-	(13,112,640)	-	-	11,648,485
<b>Finance Lease Assets</b>													
Office Equipment	-	-	-	-	-	-				-			-
Other Assets	-	-	-	-	-	-				-			-
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>109,534,290</b>	<b>11,961,897</b>	<b>(303,167)</b>	<b>14,992,891</b>	<b>136,185,910</b>	<b>(19,079,148)</b>	<b>(4,669,697)</b>	<b>222,323</b>	<b>-</b>	<b>(23,526,523)</b>	<b>-</b>	<b>-</b>	<b>112,659,387</b>



**Greater Taung Local Municipality**  
**APPENDIX B**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
as at 30 June 2009

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
<b>Land</b>													
Land	-	598,200	-	-	598,200	-	-	-	-	-	-	-	598,200
Landfill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	598,200	-	-	598,200	-	-	-	-	-	-	-	598,200
<b>Buildings</b>	29,729,344	5,790,742	-	-	35,520,086	-	-	-	-	-	-	-	35,520,086
<b>Infrastructure</b>													
Drains	34,997,058	13,061,897	-	-	48,058,955	(4,313,516)	(1,404,292)	-	-	(5,717,808)	-	-	42,341,147
Roads	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage Mains & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity Mains	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reservoirs – Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Water	-	-	-	-	-	-	-	-	-	-	-	-	-
	34,997,058	13,061,897	-	-	48,058,955	(4,313,516)	(1,404,292)	-	-	(5,717,808)	-	-	42,341,147
<b>Community Assets</b>													
Parks & Gardens	3,429,567	2,464,876	-	-	5,894,443	(3,081,683)	(77,015)	-	-	(3,158,698)	-	-	2,735,745
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadiums	-	-	-	-	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
	3,429,567	2,464,876	-	-	5,894,443	(3,081,683)	(77,015)	-	-	(3,158,698)	-	-	2,735,745
<b>Heritage Assets</b>													
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Paintings & Artifacts	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total carried forward</b>	68,155,969	21,915,715	-	-	90,071,684	(7,395,199)	(1,481,307)	-	-	(8,876,506)	-	-	81,195,178

**Greater Taung Local Municipality**  
**APPENDIX B**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
as at 30 June 2009

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
<b>Total brought forward</b>	68,155,969	21,915,715	-	-	90,071,684	(7,395,199)	(1,481,307)	-	-	(8,876,506)	-	-	81,195,178
<b>Other Assets</b>													
Office Equipment	1,511,759	287,981	-	-	1,799,740	(732,090)	(353,077)	-	-	(1,085,167)	-	-	714,573
Furniture & Fittings	694,124	83,012	-	-	777,136	(157,505)	(113,336)	-	-	(270,841)	-	-	506,295
Bins and Containers	76,110	-	-	-	76,110	(17,230)	(15,222)	-	-	(32,452)	-	-	43,658
Emergency Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	7,540,317	1,436,501	-	-	8,976,818	(3,142,160)	(1,546,478)	-	-	(4,688,638)	-	-	4,288,180
Fire engines	-	-	-	-	-	-	-	-	-	-	-	-	-
Refuse tankers	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	277,102	-	-	277,102	-	(2,778)	-	-	(2,778)	-	-	274,324
Computer Software (part of computer equipment)	-	10,981	-	-	10,981	-	(1,354)	-	-	(1,354)	-	-	9,627
Other Assets	7,465,211	79,508	-	-	7,544,719	(3,362,377)	(759,035)	-	-	(4,121,412)	-	-	3,423,307
	17,287,521	2,175,085	-	-	19,462,606	(7,411,362)	(2,791,280)	-	-	(10,202,642)	-	-	9,259,964
<b>Finance Lease Assets</b>													
Office Equipment	1,849,516	-	(1,849,516)	-	-	(468,393)	(369,903)	838,296	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,849,516	-	(1,849,516)	-	-	(468,393)	(369,903)	838,296	-	-	-	-	-
<b>Total</b>	<b>87,293,006</b>	<b>24,090,800</b>	<b>(1,849,516)</b>	<b>-</b>	<b>109,534,290</b>	<b>(15,274,954)</b>	<b>(4,642,490)</b>	<b>838,296</b>	<b>-</b>	<b>(19,079,148)</b>	<b>-</b>	<b>-</b>	<b>90,455,142</b>

**Greater Taung Local Municipality**  
**APPENDIX C**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**  
as at 30 June 2010

	Cost / Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive & Council										
Finance & Admin										
Planning & Development										
Health										
Community & Social Services										
Public Safety										
Sport & Recreation										
Environmental Protection										
Waste Management										
Road Transport										
Water										
Electricity										
Other										
<b>Total</b>	-	-	-	-	-	-	-	-	-	-

**Greater Taung Local Municipality**  
**APPENDIX D**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 30 June 2010

2009	2009	2009		2010	2010	2010
Actual Income	Actual Expenditure	Surplus / (Deficit)		Actual Income	Actual Expenditure	Surplus / (Deficit)
15,270,060	(13,973,826)	1,296,234	Executive & Council	16,812,870	(16,643,751)	169,119
16,280,576	(25,606,694)	(9,326,118)	Finance & Admin	22,935,630	(31,381,489)	(8,445,859)
9,674,464	(7,328,835)	2,345,629	Planning & Development	21,909,644	(20,663,121)	1,246,523
			Health			-
1,907,231	(1,394,466)	512,765	Community & Social Services	3,031,693	(1,389,018)	1,642,675
			Public Safety			-
2,864,297	(1,629,634)	1,234,663	Sport & Recreation	3,087,988	(2,295,973)	792,015
			Environmental Protection			-
9,787,498	(6,020,702)	3,766,796	Waste Management (Refuse)	10,696,020	(6,638,795)	4,057,225
18,083,562	(6,794,998)	11,288,564	Road Transport	8,940,514	(7,495,001)	1,445,513
1,055,907	(669,149)	386,758	Water	1,783,781	(708,681)	1,075,100
1,545,158	(1,204,918)	340,240	Water Waste Management	2,255,617	(1,594,357)	661,260
2,457,199	(2,747,419)	(290,220)	Electricity	3,685,669	(3,365,880)	319,789
			Other	20,658,420	(628,004)	20,030,416
<b>78,925,952</b>	<b>(67,370,641)</b>	<b>11,555,311</b>		<b>115,797,846</b>	<b>(92,804,070)</b>	<b>22,993,776</b>
			Less: Inter-Department Charges			
<b>78,925,952</b>	<b>(67,370,641)</b>	<b>11,555,311</b>	<b>Total</b>	<b>115,797,846</b>	<b>(92,804,070)</b>	<b>22,993,776</b>

Greater Taung Local Municipality					
ACTUAL VERSUS BUDGET					
APPENDIX E					
for the year ending 30 June 2010					
	2010	2010	2010	2010	
	Actual	Budgeted	Varrience	Varrience %	
Explanations of significant variance greater than 10 %					
Revenue					
Property rates	4,749,767	5,200,000	450,233	9.48	Halls not fully utilised over the year. Grant money were invested (4.97) More people bought cars. Lower sales of sites Received more Grants Income expected not realised
Property rates - penalties imposed and collection charges	534,541	500,000	(34,541)	(6.46)	
Service charges	4,774,384	4,433,656	(340,728)	(7.14)	
Rendering of Services					
Rental Income	276,786	364,202	87,416	31.58	
Interest earned - external investments	3,833,430	2,400,000	(1,433,430)	(37.39)	
Interest earned - outstanding receivables	841,802	800,000	(41,802)	(4.97)	
Income Received from Agencies	76,202	50,000	(26,202)	(34.39)	
Administration and Management Fees Received	11,184	60,000	48,816	436.48	
Licences and permits	-	-	-	-	
Government grants and subsidies	100,161,068	81,410,708	(18,750,360)	(18.72)	
Other income	505,490	10,507,671	10,002,181	1,978.71	
Total revenue	115,764,655	105,726,237	(10,038,418)		
Expenses					
Employee related costs	25,863,098	30,104,226	4,241,128	16.40	Provision was made for the new gradings of municipalities.  Under-budgeting of depreciation Budget Control Under collection  Two contracts Budget Control
Remuneration of councillors	10,192,205	11,122,682			
Administration Costs					
Depreciation and amortisation expense	4,669,697	670,833	(3,998,864)	-85.63	
Repairs and maintenance	4,255,814	6,749,264	2,493,450	58.59	
Provision for Bad Debts	5,700,534	603,992	(5,096,542)	-89.40	
Finance costs	-	-	-	-	
Bulk purchases	1,532,369	1,400,000	(132,369)	-8.64	
Contracted services	1,349,529	1,200,000	(149,529)	-11.08	
General expenses	39,240,823	43,790,936	4,550,113	11.60	
Total expenses	92,804,069	95,641,933	2,837,864		
Gain / (loss) on sale of assets	33,191	-	-33191	-100	Sale of Mayoral Vehicle (Toyota Fortuner)
(Impairment loss) / Reversal of impairment loss	-	-			
Profit / (loss) on fair value adjustment	-	-			
Inventories: (Write-down) / reversal of write-down to net realisable value		-			
Surplus / (deficit) for the period	22,993,776	10,084,304	(12,909,472)		

**APPENDIX F**  
**DISCLOSURE OF GRANTS AND SUBSIDIES**  
for the year ending 30 June 2010  
**DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Name of Grants	Quarterly receipts					Quarterly Expenditure for the Year					Delay l withheld	Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
	Sep	Dec	March	June	Total	Sep	Dec	March	June	Total					
Equitable Share	23 783 334	2 441 669	33 296 693		59 521 696	12 475 144	12 356 294	18 633 730	16 056 528	59 521 696		59 521 669		Not Applicable	Not Applicable
					0					0				Yes	Not Applicable
MSIG	735 000				735 000	72 052	35 281	187 122	433 843	728 297		735 000		Yes	Not Applicable
Financial Management Grant	750 000				750 000	61 082	94 760	89 946	492 283	738 071		750 000		Yes	Not Applicable
PMU					0					0				Yes	Not Applicable
MIG Grants	5 292 000	6 217 000	7 815 000		19 324 000	3 682 724	4 087 510	4 490 931	8 397 256	20 658 420		20 600 000		Yes	Not Applicable
LIBRARY GRANT	650 000				650 000	13 376	13 188	84 695	185 657	296 916				Yes	Not Applicable
					0					0				Yes	Not Applicable
IMMIS					0					0				Yes	Not Applicable
HOUSING	363 132	20 270 694			20 633 826	363 132	3 855 115	4 135 083	9 790 191	18 143 521				Yes	Not Applicable
Land Development Objectives Grant					0					0				Yes	Not Applicable
					0					0				Yes	Not Applicable
LG SETA		38 709	14 003	21 435	74 147				74 147	74 147				Yes	Not Applicable
					0					0				Yes	Not Applicable
					0					0				Yes	Not Applicable
					0					0				Yes	Not Applicable
					0					0				Yes	Not Applicable
	31 573 466	28 968 072	41 125 696	21 435	101 688 669	16 667 509	20 442 148	27 621 506	35 429 905	100 161 068	-	81 606 669			